

2007-2008 PERFORMANCE PLAN – CHIEF EXECUTIVE OFFICER (Buenrostro)

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	2 nd Quarter Status
50%	Annual Plan Priorities	<p>By June 30, 2008 complete the following strategies to provide industry leadership and attain objectives as identified in Annual Plan Projects under the following major categories:</p> <p><u>Customer Service</u></p> <ul style="list-style-type: none"> Continue to implement the Customer Service Experience (CSE) enterprise strategy and methodology to include: Governance, Communication, Marketing, MyCalPERS Member Account profile. Implement recommendations from the Customer Contact Assessment to improve the quality of CalPERS customer services, as measured by performance measures and customer surveys. 	From Schedule	<p>Completed</p> <p>The CSE Governance process has been fully implemented. Roles, responsibilities, and processes that were initially identified by the CSE Enterprisewide Task Force have been validated with minor adjustments, and the governing body continues to operate effectively.</p> <p>An enhanced version of the MyCalPERS online tool was implemented on November 4, 2007 which allows members to view, download and print multiple years of their CalPERS Annual Member Statement. It also allows CalPERS Call Center and other support staff to emulate a member's MyCalPERS experience on screen to assist them in answering member questions.</p> <p>In progress and on schedule</p> <p>As a result of the Accenture Study conducted in June 2007, the following opportunities were implemented during Second Quarter 07-08 by CSED:</p> <p>Enhance training program for managers and supervisors of the service centers:</p> <p>ICMI training Essential Skills for Call Center Management was provided onsite to managers and supervisors of both Contact Centers in October 2007.</p>

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		<p><u>Customer Service</u> (continued)</p> <p><u>Industry Leadership</u> Sponsor, in cooperation with CalSTRS and the Los Angeles pension systems, an Economic Summit to demonstrate the value pension and health benefits and investments to the California economy.</p>		<p>Leverage technology to provide options to the caller to have CalPERS call them back:</p> <p>In December 2007 Virtual Hold technology was installed allowing callers to choose to stay in line during long wait times resulting from peak calls periods, or to hang up while not losing their place in line and receive a phone call when the next available agents become available.</p> <p>This technology has improved phone service. Callers with wait times exceeding 3 minutes receive the option of a call back or to continue to wait in line. Over 50% of all callers offered this service have accepted a call back. Repeat callers have dropped by over 6,000 calls in the month of January over December 2007. This improvement in customer service is reflected in improved customer survey results and will be reported in third quarter when more information can be tabulated.</p> <p>Completed</p> <p>September 18 & 19, CalPERS along with CalSTRS, LACERS, LACERS, LA Fire & Police hosted the California Pension Fund Investments Conference "A Golden Opportunity." The Conference was well received with over 400 attendees, include 115 trustees.</p>

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Qualitative Performance Measures (cont.)

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		<p><u>Health</u> Ensure that employee and employer groups are appropriately involved / consulted to:</p> <ul style="list-style-type: none"> (1) Inform the membership on program changes approved by the Board, (2) Advise on development of new program changes and directions, and (3) Determine what utilization data can be shared with them during rate renewals. <ul style="list-style-type: none"> • Continue staff efforts utilizing regional councils to inform and engage select communities regarding the cost of health care and what local members can do with CalPERS to make local health providers more accountable and responsive. • Work with the Board and Health staff to develop and issue an RFP to secure an independent benefit consultant. • Implement the recently initiated CalPERS-wide disease management program. This program when fully implemented will provide a consistent level of health outcomes, targets and member/provider incentives with respect to select major chronic conditions. • Assess the feasibility of a single administration model for managing the CalPERS health program. Develop and release an RFI / RFP to gain information on the potential benefits and design of this approach. 		<p>In progress and on schedule</p> <p>The initial template of utilization data to be shared with employer and employee groups was developed by Mercer in November. It was presented for HBC input in December and will be shared with constituent groups starting in February.</p> <p>The 2008 annual plan for future regional forums was developed with Blue Shield and completed in October. Forums will be held in Sonoma, Solano, Colusa, and Mendocino counties.</p> <p>RFP in progress to be completed January 4, 2008.</p> <p>Mercer and CalPERS staff assessed the disease management programs for all CalPERS health plans in this quarter. Data standards have been collected in preparation for determining consistent health outcomes and targets. CalPERS board will be provided an update during the January 2008 offsite.</p> <p>Request for Information released in October 2008 for the single administrator model. Buck, Milliman, and Mercer completed their summaries of the RFI information. Interviews with the key respondents are scheduled for January 2008.</p>

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Qualitative Performance Measures (cont.)

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20%	Special Projects	<p>Complete special projects identified by the Board, meeting performance objectives established by the Board at the time of assignment. This will include acting on emerging issues in a manner that maximizes the potential benefit and minimizes the risk to CalPERS. Report to the Board on actions taken.</p> <ol style="list-style-type: none"> 1. <u>Health Investment Initiative (HII)</u> Provide direction to ensure that the Innovation Review Committee is established in the Health Branch and that it is properly coordinated with the Alternative Investment Management (AIM) responsibilities. 2. <u>Health IT Strategy</u> Complete development of a Health Information Technology strategy designed to achieve universal electronic data exchange within and amongst CalPERS health care contractors within three years, with the objective of establishing CalPERS as a state and national leader in this area. 3. <u>Public Employee Post-Retirement Benefits Commission (Commission)</u> Direct staff assigned to the Public Employee Post-Retirement Benefits Commission in providing requested pension/health data and support to the commission and following up on recommendations and conclusions of the commission. 	From Schedule	<p>In Progress and On Schedule</p> <p>Health Evolution Partners has acquired additional staff to support the Initiative. Prospective members of the Purchasers Value Initiative have been selected and agreements secured for their participation. Work is currently underway to establish the Innovation Review Committee.</p> <p>In Progress and On Schedule</p> <p>Staff are developing options for adopting personal health records for the 2009 plan year. In addition, the adoption of PHR's will be a specific item to be negotiated in the 2009 renewal with the health plans. Longer-term, staff are in discussions with our consultants on the development of a comprehensive IT strategy for CalPERS Health to be pursued over a 3-year timeframe.</p> <p>Staff again supported the Commission's needs by continuing to provide information via written documentation and oral testimony. Staff also attended each Commission meeting and reported back to the Board of Administration and Executive team. In December the Commission concluded its state-wide meetings and finalized the report for the Governor and Legislature. The final report will be provided to the Board of Administration and discussed at the January Board offsite.</p>

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Qualitative Performance Measures (cont.)

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15%	Pension System Resumption Project (PSR)	<p>1. <u>PSR</u> By June 30, 2008, complete General System Design, implement the underlying technical architecture and commence application development.</p>	From Schedule	<p>In progress and on schedule.</p> <ol style="list-style-type: none"> 1. Phase 1 of the Technical Architecture was completed and implemented on December 18; the significant Deliverables in this phase included the Technical Architecture Plan, Application and Technical Security Plan, the "As Built" implementation architecture, and the Architecture implementation test results. 2. The "To Be" Process Model and General System Requirements Specifications for Blocks 1, 2, 3 and 5 were approved in October 3. A competitive procurement to address the additional data clean-up work was underway. A Request for Proposal was released on December 17, a mandatory bidder's conference is scheduled for January 8 and proposals are due on February 1; the anticipated contract start date is March 2008. Mid-year funding to cover the costs associated with this contract was approved by the Board in December. 4. Product evaluations for a document imaging management solution and product selection were completed by mid-October. The software to support the new system, Oracle/Kofax, was procured in November and installed in the PSR Project development environment in December. 5. The PSR Project Manager, in collaboration with the Business Owners Committee (BOC) and PSR Steering Committee, formed the Vanguard End to End (E2E) Team as a means for strengthening the business voice on the Project, developing in-depth

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Qualitative Performance Measures (cont.)

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		<u>PSR</u> (cont.)		<p>system knowledge and streamlining the review and approval of project Deliverables. This new team reports into the PSR Project Manager and works side-by-side with Accenture. The E2E Team will bring a heightened business perspective to the team as well as in the development of new policies and practices. The team will be staffed and functional in January 2008; Anthony Suine will provide direction and oversight as the Business Deputy Project Manager.</p> <p>6. Per contract agreement, CalPERS' redirected 23 staff to assist Accenture with the development of the System to in an effort to give staff "hands-on" experience using the tools, methods and technologies used in the building the new system. The initial "Core Support Team" was established in November with one staff redirected from MBSB and 22 from ITSB. Accenture will direct and guide the work performed by staff assigned to this team.</p> <p>7. General System Design was completed for the interface requirements between PSR and the State Controller's Office (SCO) 21st Century Project on December 21. PSR Leadership continues to meet on a regular basis with SCO.</p> <p>8. The Enterprise Transition Management (ETM) Project team worked in close collaboration with the PSR Project team to successfully synchronize planned activities for the next six months, including skills assessments and communications planning. The interdependencies between PSR and ETM will continue to be monitored throughout the implementation phase of the project.</p>

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Qualitative Performance Measures (cont.)

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				9. The In December, the PSR Project secured a full-time security expert from the CalPERS Information Security Office (ISOF) for the next seven months to ensure PSR compliance with CalPERS and State security standards.
		<p>2. <u>Enterprise Transition Management (ETM)</u> By June 30, 2008, increase the awareness of purpose and benefits of ETM across CalPERS by providing change management training to 90 % of CalPERS' executives, managers, and supervisors by December 31, 2007. By January 31, 2008, establish curriculum for change management training for all other CalPERS staff. By June 30, 2008, ensure ETM objectives are met in the areas of change management training, current state assessment, classification review, and skills inventory.</p>		<p>In progress and on schedule</p> <p>Change management training has been provided to 94% of Executives, Managers, and Supervisors by December 31, 2007. This exceeds the goal of having 90% of leaders trained in change management by December 31, 2007.</p> <p>34 'all staff' Change Management training classes have been scheduled and are being conducted at this time. Change Management 'all staff' classes are scheduled through June 2008. Feedback from the Change Management training classes has been positive.</p> <p>ETM Project Charter, Mission Statement, and Goals and the ETM Steering Committee Charter were approved by the ETM Steering Committee on November 6, 2007.</p> <p>The ETM Communication Strategy and Plan, which augments the PSR and ETM Communication Strategy and Plan has been developed and is in the review process.</p> <p>The Executive Team has participated in three sessions and developed guiding principles for the CalPERS Organization. The Executive Team is discussing potential operating models, and high level organization structures. This work will shape potential organization changes and feeds the ETM Training Plan and the ETM Transition Plan.</p>

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Qualitative Performance Measures (cont.)

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		3. <u>Enterprise Transition Management (ETM)</u> (cont.)		<p>The ETM Project has developed an overall Transition Management approach to support the implementation of PSR and potential organization changes. This approach is currently being reviewed by stakeholders in the CalPERS Organization.</p> <p>The ETM Project has defined tool(s) to be used to assess CalPERS readiness for the transformation to the PSR environment. This has been done in conjunction with the PSR Project.</p>
15%	Enterprise Leadership and Management Communication	<p>By January 2008, complete a follow up employee survey and assess progress from 2005 survey. By June 30, 2008, identify new and/or continuing areas of improvement and develop an action plan to address these areas.</p> <p>By June 30, 2008 develop a comprehensive career development program to provide employees the knowledge and abilities necessary for successful advancement at CalPERS.</p>	From Schedule	<p>Completed</p> <p>The employee survey was completed and results were distributed to Executive Staff and Division Chiefs. Also, completed was a dissemination strategy to all staff through CEO email and through all-staff meetings by the Division Chiefs.</p> <p>In progress and on schedule</p>

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	Enterprise Leadership and Management Communication (cont.)	<p>By June 30, 2008 develop a plan for furthering our position as a destination employer by:</p> <ul style="list-style-type: none"> • Surveying current employees • Survey local firms for best practices • Develop programs to provide more work life balance 		<p>Career Development Program and Destination Employer:</p> <p>In the second quarter, the work plan and initial design of an on-line career planning tool for all employees was completed. The new tool will increase support for and awareness of training and career development opportunities at CalPERS, enabling them to drive their own development and potential advancement. It will be a self-service application that will be available on the Insider, where employees can access an on-line career ladder and link them to information that will assist them in planning their career movement including:</p> <p>Desired classification/career path</p> <p>Job specification</p> <p>Exam information</p> <p>Divisions within CalPERS that utilize the desired classification/career path</p> <p>Current vacancies</p> <p>Training opportunities</p> <p>Upward mobility classifications.</p>
100%	Total	Qualitative Measures		